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FM AMCONSUL JERUSALEM
TO RUEHC/SECSTATE WASHDC IMMEDIATE 2909
INFO RUEHXK/ARAB ISRAELI COLLECTIVE PRIORITY
RHEHNSC/NSC WASHDC PRIORITY
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY
RUEHBS/USEU BRUSSELS PRIORITY

C O N F I D E N T I A L JERUSALEM 002545

SIPDIS

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NEA FOR FRONT OFFICE; NEA/IPA FOR
WILLIAMS/GREENE/WATERS/WAECHTER; NSC FOR
ABRAMS/DORAN/LOGERFO; TREASURY FOR NUGENT/ADKINS

E.O. 12958: DECL: 06/19/2016
TAGS: [FFIN](#) [ECON](#) [KTFN](#) [KWBG](#)
SUBJECT: PALESTINIAN AUTHORITY DISBURSES PARTIAL SALARIES
IN CASH IN GAZA

REF: JERUSALEM 2245

Classified By: Consul General Jake Walles, Reasons 1.4 (b) and (d).

¶1. (SBU) Palestinian Authority Finance Minister Abdel Razeq announced to Palestinian Legislative Council (PLC) members June 19 that the PA would start paying partial salaries in Gaza through the post offices that day and is considering doing so in the West Bank, as well. The local press June 20 reported that the PA had begun disbursement of USD 300 per employee, for those earning up to NIS 2500 (USD 563), in Gaza through the PA-operated post offices. Jerusalem-based Arabic daily al-Quds ran on its front page June 20 a photograph of a postal employee handing out the payments in crisp one-hundred dollar bills.

¶2. (C) IMF Resident Representative Joel Toujas clarified June 20 to EconChief that, according to his sources in the PA Finance Ministry, the USD 300 payments are only for roughly 90,000 PA employees earning between NIS 1500 and 2500 and are funded from the approximately USD 27 million in cash that Hamas ministers had brought through the Rafah crossing in May and June. (Note: Toujas said that his Finance Ministry sources had told him that the PA had previously managed to pay out one salary payment to most employees earning less than NIS 1500 per month from accumulated domestic revenues (reftel). Except for the Bank of Palestine and a couple of smaller local banks, the bulk of these payments had also been made through the post offices. End note.)

¶3. (C) Toujas said that he had heard security service members were told to go to the "security headquarters in Gaza" to receive their USD 300 payment. Toujas said that the PA has not yet managed to transfer funds to the West Bank to enable post offices there to begin similar disbursements since commercial banks in Gaza are refusing to be party to such a transfer. Toujas also said that the partial salary payments were only being made to current PA employees, not to pensioners or social hardship cases.
WALLES